

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
v.)
)
REAL PROPERTY LOCATED AT)
1188 RED FERN LANE, AUGUSTA,)
WEST VIRGINIA 26704;)
)
REAL PROPERTY LOCATED AT)
1278 RED FERN LANE, AUGUSTA,)
WEST VIRGINIA 26704;)
)
2020 JEEP GLADIATOR)
VIN 1C6JJTBG8LL163065;)
)
2021 TESLA MODEL S PLAID)
VIN 5YJSA1E64MF451027;)
)
2020 TAXA CRICKET)
VIN 4T9AC1519LH049070;)
)
2020 TESLA MODEL Y)
VIN 5YJYGDEF9LF009921;)
)
2017 ALFA ROMEO GIULIA)
VIN ZARFAEAV0H7519119;)
)
2012 SUBARU IMPREZA SEDAN)
VIN JF1GV8J67CL002287;)
)
2018 JEEP WRANGLER (JL RUBICON))
VIN 1C4HJXFG5JW121456;)
)
1990 JEEP WRANGLER (YJ))
VIN 2J4FY19E2LJ550200;)
)
2015 DUCATI DIAVEL)
VIN ZDM13BSW4FB020780;)
)
2020 FORD SUPER DUTY F-450)
VIN 1FT8W4DT9LEC71644;)

CIVIL NO.: 22-cv-2596

JURY TRIAL REQUESTED

AND)
)
 ASSORTED ART AND SPORTS)
 MEMORABILIA,)
)
 Defendants *in rem*.)
 _____)

VERIFIED COMPLAINT FOR CIVIL FORFEITURE *IN REM*

Plaintiff, United States of America, brings this Verified Complaint for Forfeiture *in rem* and alleges as follows in accordance with Supplemental Rule G(2) of the Supplemental Rules For Admiralty or Maritime Claims and Asset Forfeiture Actions:

I. NATURE OF THE ACTION

1. This is a civil forfeiture action *in rem* to forfeit all right, title, and interest in the Defendants *in rem* pursuant to 18 U.S.C. § 981(a)(1)(C).

II. THE DEFENDANT PROPERTIES

2. The Defendants *in rem* (collectively “the Defendant Properties” or “the Defendants *in rem*”) consist of the following properties:

- a. The real property located at 1188 Red Fern Lane, Augusta, West Virginia 26704, with all appurtenances, improvements, and attachments thereon, and more fully described as follows:

All those certain tracts or parcels of real estate, together with all rights, privileges, improvements, rights-of-way and appurtenances thereunto belonging or in anywise appertaining, situate in Bloomery District, Hampshire County, West Virginia, known and designated as Lot Number Fifteen (15), containing 4.994 acres, more or less and Lot Number Sixteen (16), containing 4.994 acres, more or less, of the Timber Mountain Subdivision, as shown on that certain plat of “Section of the Timber Mountain Subdivision”, said plat being of record in the Office of the Clerk of the County Commission of Hampshire County, West Virginia in Map Book 3 at Page 71, reference being made to the aforesaid plat for a more particular metes and bounds description of the real estate herein conveyed, and the same is incorporated herein and made a part hereof for a more particular description of said real estate. Said two tracts have been consolidated for tax purposes and are shown as containing 9.988 acres - Tax Map 23, parcel 53, for said district.

Lot 15 being the same real estate which was conveyed unto Charles H. Parker, and Diane Wallace, who is one and the same person as Frances Diane Parker, by deed of Tuscarora Land Co., a Pennsylvania corporation, dated October 28, 1981, of record in the aforesaid Clerk's Office in Deed Book 253, at Page 210.

And further being the same real estate in which full, fee simple title did vest in Frances Diane Parker, upon the death of her husband, Charles H. Parker, on January 5, 2016, per the survivorship clause in said deed.

The real estate herein conveyed is subject to all of the covenants and restrictions of Timber Mountain Subdivision, said covenants and restrictions of record in the aforesaid County Clerk's Office in Deed Book 251 at Page 373, and this conveyance is further subject to a 20-foot hiking easement as shown on the plat of Timber Mountain Subdivision.

The grantor further conveys unto the grantee the non-exclusive right to use that certain 50-foot easement leading from West Virginia Secondary Route 50/22 to the Timber Mountain Subdivision, as was conveyed unto Tuscarora Land Co. by deed of James R. Jacques, single, Robert B. McDowell and Eloise W. McDowell, his wife, by deed dated April 21, 1981, of record in the aforesaid Clerk's Office in Deed Book 249 at Page 684 and in Deed Book 314 at Page 262.

- b. The real property located at 1278 Red Fern Lane, Augusta, West Virginia 26704, with all appurtenances, improvements, and attachments thereon, and more fully described as follows:

All that certain tract or parcel of real estate, together with the cabin and improvements thereon and all rights, rights of way, easements, waters, minerals, oil and gas and appurtenances thereunto belonging, lying and being situate in Bloomery District, Hampshire County, West Virginia, described and designated as Tract 14 of Timber Mountain Subdivision, containing 5.054 acres, more or less, as shown on the plat of said subdivision of record in the Office of the Clerk of the County Commission of Hampshire County, West Virginia in Map Book 3 at Page 71, reference being made to said plat for a more particular metes and bounds description of the subject real estate, and the same is incorporated herein and made a part hereof for a more particular description of said real estate. Said real estate is depicted on the 2020 Hampshire County Land Books as District 01, Tax Map 23, Parcel 51.

And being the same real estate which was conveyed to John Lloyd Black, III, by deed of Kimberly A. Heilman, dated May 7, 2020, of record in the aforesaid Clerk's Office in Deed Book 565 at Page 254.

The real estate herein conveyed is subject to all of the covenants and restrictions of Timber Mountain Subdivision, said covenants and restrictions of record in the aforesaid County Clerk's Office in Deed Book 251 at Page 373; this conveyance is further subject to a 20-foot hiking easement as shown on the plat of Timber Mountain Subdivision.

The grantor further conveys unto the grantee the non-exclusive right to use that certain 50-foot easement leading from West Virginia Secondary Route 50/22 to the Timber Mountain Subdivision, as was conveyed unto Tuscarora Land Co. by deed of James R. Jacques, single, Robert B. McDowell and Eloise W. McDowell, his wife, by deed dated April 21, 1981, of record in the aforesaid Clerk's Office in Deed Book 249 at Page 684.

The real estate herein conveyed is further subject to that certain Right of Way and Agreement to Furnish Water dated March 20, 1998, and of record in the aforesaid Clerk's Office in Deed Book 382 at Page 265.

- c. 2020 Jeep Gladiator, vehicle identification number 1C6JTBG8LL163065;
- d. 2021 Tesla Model S Plaid, vehicle identification number 5YJSA1E64MF451027;
- e. 2020 Taxa Cricket, vehicle identification number 4T9AC1519LH049070;
- f. 2020 Tesla Model Y, vehicle identification number 5YJYGDEF9LF009921;
- g. 2017 Alfa Romeo Giulia, vehicle identification number ZARFAEAV0H7519119;
- h. 2012 Subaru Impreza Sedan, vehicle identification number JF1GV8J67CL002287;
- i. 2018 Jeep Wrangler (JL Rubicon), vehicle identification number 1C4HJXFG5JW121456;
- j. 1990 Jeep Wrangler (YJ), vehicle identification number 2J4FY19E2LJ550200;
- k. 2015 Ducati Diavel, vehicle identification number ZDM13BSW4FB020780;
- l. 2020 Ford Super Duty F-450, vehicle identification number 1FT8W4DT9LEC71644;
- m. Assorted Art and Sports Memorabilia, including the following items:
 - i. "Michael Jordan, Into the Record Books", Limited Edition #11 of 50, Artist Recreation on Canvas, Autographed;
 - ii. "Colin Kaepernick, New Breed", Limited Edition #9 of 30, Artist Recreation on Canvas, Autographed;

- iii. “Jerry Rice, The Pinnacle”, Limited Edition #11 of 24, Artist Recreation on Canvas, Autographed;
- iv. “Troy Aikman, Precision”, Limited Edition #21 of 22, Artist Recreation on Canvas, Autographed;
- v. “Eli Manning, Championship State of Mind”, Limited Edition #16 of 25, Artist Recreation on Canvas, Autographed; and
- vi. “Walter Payton, Class Act”, Limited Edition #3 of 99, Artist Recreation on Canvas.

III. JUDICIAL AUTHORIZATION AND PROCESS

- 3. Plaintiff brings this action *in rem* to forfeit and condemn the Defendants *in rem*.
- 4. The Defendant Vehicles and Assorted Art and Sports Memorabilia were seized in Maryland, Virginia, and West Virginia, and are currently in the custody of the U.S. Marshals Service.
- 5. Under Supplemental Rule G(3)(a), the United States must comply with the procedures in 18 U.S.C. § 985 when initiating civil forfeiture actions against real property. The Defendant Real Properties have not been seized. The United States does not seek authority under 18 U.S.C. § 985(d)(1) to seize the Defendant Real Properties at this time.
- 6. The United States will:
 - a. post notice of this Complaint on the Defendant Real Properties as required by 18 U.S.C. § 985(c)(1)(B);
 - b. serve notice of this action and a copy of this Complaint on the property owner, as required by 18 U.S.C. § 985(c)(1)(C);
 - c. send notice of this action and a copy of this Complaint to any person who reasonably appears to be a potential claimant as required by Supplemental Rule G(4)(b); and

- d. publish notice of this action pursuant to the procedures in Supplemental Rule G(4)(a).

IV. JURISDICTION AND VENUE

7. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1345, as this is a civil action commenced by the United States; and pursuant to 28 U.S.C. § 1355(a), as this is an action or proceeding for the recovery or enforcement of a forfeiture.

8. This Court has *in rem* jurisdiction pursuant to 28 U.S.C. § 1355(b)(1)(A) because acts or omissions giving rise to the forfeiture occurred within the District of Columbia. Upon filing of this Complaint, the Plaintiff requests that the Clerk of Court issue an arrest warrant *in rem* pursuant to Supplemental Rule G(3)(b)(i), which the Plaintiff will execute on the Defendant Vehicles and Defendant Art and Sports Memorabilia pursuant to 28 U.S.C. § 1355(d) and Supplemental Rule G(3)(c).

9. Venue in the District of Columbia is proper pursuant to 28 U.S.C. § 1355(b)(1)(A) because acts or omissions giving rise to the forfeiture occurred within the District of Columbia.

V. BASIS FOR FORFEITURE

10. Based on the facts set forth in this Complaint, there is a reasonable belief that the Defendant Properties are subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C), as property which constitutes or is derived from proceeds traceable to an offense constituting a specified unlawful activity, specifically, wire fraud and theft concerning programs receiving federal funds.

VI. FACTS

11. KIPP DC is a network of charter schools in the District of Columbia and part of the system of District of Columbia Public Schools. It was founded in 2001 and currently consists of 20 schools and eight campuses. KIPP DC provides tuition-free public schooling for approximately 7,000 students. At all times relevant to this action, KIPP DC annually received more than

\$10,000 in Federal program grants. Between July 1, 2019 and June 30, 2020, KIPP DC received approximately \$1,372,412 in federal grants, and between July 1, 2020 and June 30, 2021, KIPP DC received approximately \$3,426,314 in federal grants.

12. Kevin Ward (“Ward”) was the Senior Director of Technology for KIPP DC until at least July 2021. In that role, Ward was responsible for, among other things, purchasing information technology products and services for KIPP DC, including computers, tablets, software, and network services. Sometime after July 2021, Ward took a leave of absence from KIPP DC and ultimately left its employment.

13. Beginning on March 16, 2020, the District of Columbia ordered public schools, including KIPP DC schools, closed due to the onset of the COVID-19 pandemic. KIPP DC therefore transitioned to remote learning. Accommodating remote learning required that KIPP DC purchase additional computer products, including laptops and tablets, and services for those products and for its network. Ward was primarily responsible for the purchase and deployment of these products and services.

14. Tenret Tech was a Maryland corporation registered on April 13, 2020, with the Maryland State Department of Assessment & Taxation (“SDAT”)—less than one month after the pandemic began. The Articles of Organization identify the corporation’s Authorized Person and the Resident Agent as Ward and its address as Ward’s home address. On January 14, 2021, Tenret Tech filed with SDAT Articles of Cancellation, identifying Ward as a member and its Principal Office Address as Ward’s home address.

15. Vast Systems, an affiliate corporation of Tenret Tech, was registered in Wyoming on June 16, 2020. The registered agent was listed as Capital Administrations LLC, 1712 Pioneer Avenue, Suite 115, Cheyenne, Wyoming 82001. On January 14, 2021, the internet domain for

Vast Systems, vastsystems.co, was registered—the same date that Tenret Tech filed its Articles of Cancellation. Vast Systems subsequently purported to do business as Tenret Tech.

16. Anybill Financial Services (“Anybill”) is a third-party vendor used by KIPP DC to process invoices for payment, through a software program it provided to KIPP DC.

17. Between April 2020 and October 2021, KIPP DC paid Tenret Tech and Vast Systems, DBA Tenret Tech (hereinafter collectively referred to as “Tenret Tech”), approximately \$2.2 million for laptops, tablets, and related services, all of which were arranged for and approved by Ward.

18. None of the products or services for which KIPP DC paid Tenret Tech were provided or delivered to KIPP DC.

Tenret Tech’s Invoices to KIPP DC

19. On April 6, 2020, Ward submitted an invoice via email to an email address with Anybill, for the purpose of having KIPP DC process and approve the invoice for payment. The Sales Order Acknowledgement form listed “Tenret Technology” as the vendor, was dated April 3, 2020, listed KIPP DC as the “Customer,” and sought payment for 1,000 Android tablets at an invoiced cost of \$52,500. The invoice stated that the “Date Needed” was “ASAP” and that the “Ship Date” was “TBD.” It listed the “POC” as “Scooter Ward” and contained the name “Jonathan Humphrey” under Tenret Tech. The invoice requested payment by ACH transfer. “Scooter Ward” is an alias of Kevin Ward.

20. Three days earlier, on Friday April 3, 2020, Ward sent an email to other KIPP DC employees telling them to “please be on the lookout for similar information later today or Monday from Tenret Tech who is supplying the last 1000 units” and stating, “We HAVE to get this paid and out ASAP so that they will ship. Please send me back any ACH or wire confirmations we

receive.” An Accounting Manager replied to Ward’s email asking him to provide “your point of contact at TenRet forward their ACH and W-9 information to Accounts Payable?” Ward replied, “I will send that as soon as I get it from them.” On April 7, 2020, an ACH transfer for \$52,500 to Tenret Technology was initiated.

21. On April 29, 2020, funds in the amount of \$52,500 from KIPP DC were deposited into Azlo Bank / BBVA (PNC Bank) account ending #9355.

22. Between April 3, 2020, and October 27, 2021, KIPP DC paid Tenret Tech, and Vast Systems d/b/a Tenret Tech, \$2,229,418.97 for products and services, as set forth in the table below. None of the products and services were provided or delivered to KIPP DC. All of the purchases were arranged for and approved by Ward. All the invoices were functionally identical to the April 3, 2020, invoice described above, listing Ward as the “POC,” identifying a “Jonathan Humphrey” with Tenret Tech, and stating that the “Date Needed” was “ASAP” and the “Ship Date” was “TBD.” Ward requested that the KIPP DC Accounts Payable team expedite many of the invoices and directed that at least some of them be coded as “Tech/COVID Expenses.” Most invoices directed payment to a specific bank account, including Azlo Bank / BBVA (PNC Bank) account ending #9355. The invoices submitted for payment, all of which were paid in full by KIPP DC, included the following:

Invoice Date	Product	Quantity	Amount
4/3/2020	Android Tablets	1,000	\$52,500.00
4/10/2020	Google Chrome Management	1,500	\$37,125.00
4/10/2020	Acer Chromebooks, White Glove Service, Google Chrome Management	500	\$108,875.00
4/10/2020	13-inch MacBook Air	150	\$75,000.00

Invoice Date	Product	Quantity	Amount
4/24/2020	Acer Chromebooks, White Glove Service and Google Chrome Management	550	\$119,762.50
4/24/2020	HyperV-EDU and White Glove Service	ENT ¹	\$112,219.04
5/29/2020	Acer Chromebooks, White Glove Service, Google Chrome Management	400	\$128,500.00
6/13/2020	Google Classroom Admin	10,000	\$79,500.00
QUOTE ²	Content Filtering Modules CB	12,000	\$247,898.00
QUOTE	Element Threat Protection Server Licenses / Tools	12,000	\$54,280.00
9/10/2020	Identity Guard	ENT	\$48,563.93
QUOTE	Acer Chromebooks, White Glove Service and Google Chrome Management	750	\$163,312.50
QUOTE	Acer Chromebooks, White Glove Service and Google Chrome Management	1200	\$356,700.00
3/1/2021	Content Filtering Modules CB	12000	\$407,800.00
9/21/2021	Content Filtering Modules CB	Platform	\$237,383.00
TOTAL = \$2,229,418.97			

23. Between April 16, 2020, and October 22, 2021, KIPP DC made 12 payments to Tenret Tech and Vast Systems d/b/a Tenret Tech totaling \$2,229,418.97 in proceeds. These proceeds were deposited between April 16, 2020, and March 4, 2021, in the BBVA k/n/a PNC

¹ ENT is listed as the “quantity” indicated on the Sales Order and Acknowledgment form.

² “Quote” is entered in the date field on the Sales Order and Acknowledgement form.

Bank # 9355 account totaling \$1,992,035.97, with one payment deposited in the Brex Treasury account # 4907 on October 22, 2021, totaling \$237,383.00:

Amount	Payee	Bank	Account No.	ACH Payment Date
\$37,125	Tenret Tech	Azlo Bank / BBVA (PNC Bank)	x9355	4/16/20
\$183,875	Tenret Tech	Azlo Bank / BBVA (PNC Bank)	x9355	4/20/20
\$231,981.54	Tenret Tech	Azlo Bank / BBVA (PNC Bank)	x9355	4/28/20
\$52,500	Tenret Tech	Azlo Bank / BBVA (PNC Bank)	x9355	4/29/20
\$128,500	Tenret Tech	Azlo Bank / BBVA (PNC Bank)	x9355	6/4/20
\$79,500	Tenret Tech	Azlo Bank / BBVA (PNC Bank)	x9355	6/18/20
\$302,178	Tenret Tech	Azlo Bank / BBVA (PNC Bank)	x9355	7/7/20
\$48,563.93	Tenret Tech	Azlo Bank / BBVA (PNC Bank)	x9355	9/18/20
\$163,312.50	Tenret Tech	Azlo Bank / BBVA (PNC Bank)	x9355	10/5/20
\$356,700	Tenret Tech	Azlo Bank / BBVA (PNC Bank)	x9355	11/2/20
\$407,800	Tenret Tech	Azlo Bank / BBVA (PNC Bank)	x9355	3/4/21
\$237,383	Vast Systems d/b/a Tenret Tech	LC Bank / BREX	x4907	10/22/21
Total:	\$2,229,418.97			

24. These bank accounts were almost entirely funded with fraud proceeds. The funds received from KIPP DC deposited into the BBVA k/n/a PNC Bank # 9355 account totaled at least approximately \$1,992,035.97 out of the \$1,998,923.23 total deposits to the account. The \$237,383 deposited to the Brex Treasury LLC account on September 7, 2021, was the only deposit to the account. The KIPP DC funds were initially sent to an account at Eagle Bank maintained by Anybill, and were processed through Eagle Bank's servers located in Arizona before being

deposited into the PNC Bank and Brex Treasury accounts designated by Ward. The bank records indicate that the funds were not expended for computer products and services for KIPP DC. Instead, funds from these accounts were used to purchase real property, vehicles, art, and other property.

KIPP DC's Discovery of the Fraud

25. In November or December 2021, KIPP DC officials conducting a review of expenditures and inventory discovered that Tenret Tech had not provided any of the products and services purchased by KIPP DC. KIPP DC officials corresponded with Ward on multiple occasions. For example, on December 14, 2021, following a conference with Ward, a KIPP official emailed Ward: "Here were questions that we talked through. Please, please, please try to get me something by EOD today (5pm) just in terms of contact info for them. Folks are really worried about the \$2.2M we spent with them since we can't get in touch." The email also stated, in boldface print, "**We can talk through, but I think the most helpful thing might just be getting me rep at Tenret for support/billing/etc.?**"

26. Shortly before midnight on December 14, 2021, Ward, who was located in West Virginia, emailed a KIPP DC employee who lived and worked in the District of Columbia, stating: "I reached out to the number that I had in my received calls from John Humphrey at Tenret. That number is [XXX.XXX].8388. I left two voicemails letting him know the urgency to get back to you and that you'd emailed him. Let me know if there is anything else I can do to help. I will call him in the morning as well. I believe they are in the mountain time zone." The next day, at 8:56 a.m. on December 15, 2021, Ward emailed the KIPP DC employee from West Virginia, and stated: "[I]left another message and forwarded your email as well asking that he make contact with you ASAP."

27. No real individual named “John Humphrey” has been identified in connection with these transactions, and it is alleged that Tenret Tech was created for the purpose of submitting invoices for technology products and services that were not, in fact, provided to KIPP DC.

1188 Red Fern Lane, Augusta, West Virginia

28. On or about July 6, 2020, a payment of \$302,178 was authorized by KIPP DC to be paid to Tenret Technology. This payment was made based on invoices submitted by “Tenret Tech” to KIPP DC for two separate transactions for which KIPP DC was separately billed. The first transaction was as follows:

Item No.	Item Name	Description	Quantity	Amount
EDU-CFMOD	Content Filtering Modules CB	CB Content Filtering	12000	\$247,898

ACH payment was requested “upon receipt” to AZLO Bank / BBVA account ending #9355.

29. The invoice for the \$247,898 in CB Content Filtering listed the point of contact as “Scooter Ward.”

30. The second transaction included in the \$302,178 payment was as follows:

Item No.	Item Name	Description	QTY	Amount
SVR-CB-THREAT	Element Threat Protection Server	Element Threat Protection Server Licenses / Tools	12000	\$54,280

ACH payment was requested “upon receipt” to AZLO Bank / BBVA account ending #9355.

31. The invoice for the \$54,280 in “Element Threat Protection Server Licenses / Tools” listed the point of contact as “Scooter Ward.”

32. On July 7, 2020, a payment from KIPP DC in the amount of \$302,178 was deposited to AZLO Bank / BBVA account ending #9355, consisting of the combined total of the invoices in the amounts of \$247,898 and \$54,280 for which Tenret Tech billed KIPP DC.

33. KIPP DC’s payment of \$302,178 was not used to provide products or services to KIPP DC. Instead, \$180,000 of these funds was transferred into Capital One account ending #5399, which funds were used to purchase a cashier’s check dated July 28, 2020, in the amount of \$169,390.43 payable to Keaton, Frazer & Milleson, PLLC. The cashier’s check contained the following reference on the check: “Re: 1188 Red Fern LN Augusta WV 26704.”

34. Capital One account ending 5399 was a checking account held by Ward.

35. The cashier’s check in the amount of \$169,390.43 was used to purchase real property located at 1188 Red Fern Lane, Augusta, West Virginia.

1278 Red Fern Lane, Augusta, West Virginia

36. On or about March 1, 2021, Ward sent an email submitting an invoice from “Vast Systems d/b/a Tenret Tech” to KIPP DC with respect to the following transaction:

Item No.	Item Name	Description	QTY	Amount
EDU-CFMOD	Content Filtering Modules CB	CB Content Filtering	12000	\$407,800

ACH payment was requested “upon receipt” to AZLO Bank / BBVA account ending #9355.

37. The invoice for the \$407,800.00 in CB Content Filtering listed the point of contact as “Scooter Ward.”

38. Ward’s email dated March 1, 2021, copied personnel at KIPP DC, and stated: “Team, This is uploading to Anybill. Please make sure it is coded to Classroom Tech and expedited for payment so that it coincides with our CB delivery. Let me know if you have any questions.”

39. On March 4, 2021, a payment from KIPP DC in the amount of \$407,800.00 was deposited to AZLO Bank / BBVA account ending #9355.

40. KIPP DC's payment of \$407,800.00 was not used to provide products or services to KIPP DC. Instead, \$300,000 of these funds was transferred into Capital One account ending #1966, and a portion of the funds were used to purchase a cashier's check dated March 23, 2021, in the amount of \$122,211.69, payable to Keaton, Frazer & Milleson PLLC.

41. Capital One account ending 1966 was a savings account held by Ward.

42. The cashier's check in the amount of \$122,211.69 was used to purchase real property located at 1278 Red Fern Lane, Augusta, West Virginia.

2020 Jeep Gladiator

43. On April 17, 2020, Ward purchased a 2020 Jeep Gladiator, VIN 1C6JITBG8LL163065, from Safford Chrysler Jeep Dodge, Winchester LLC for \$55,899.00, plus taxes and fees. Two wire transfers were made to Safford Winchester from the BBVA k/n/a PNC Bank #9355, including a \$20,000 transfer on April 17, 2020, and a \$39,658.14 transfer on April 20, 2020. PNC Bank account #9355 was opened on or about April 13, 2020. The transfers to Safford Winchester were funded with deposits into PNC Bank #9355 from KIPP DC in the amounts of \$37,125 on April 16, 2020, and \$183,875 on April 20, 2020. The funds received from KIPP DC were the only funds in the account available to fund the transfers to Safford for the purchase of the 2020 Jeep Gladiator.

2021 Tesla Model S Plaid

44. On or about October 23, 2021, Ward purchased a 2021 Tesla Model S Plaid, VIN 5YJSA1E64MF451027, from Tesla Motors, Inc., for \$137,290.00, plus taxes and fees. On October 25, 2021, a \$145,726.95 wire transfer to Tesla Motors was made from Brex Treasury LLC account

#4907. The only deposit to Brex Treasury LLC #4907 prior to the purchase of the Tesla was an ACH deposit from KIPP DC in the amount of \$237,383 on October 22, 2021.

2020 Taxa Cricket

45. On or about June 20, 2020, Ward placed an order for a 2020 Taxa Cricket, VIN 4T9AC1519LH049070, from Road Trip Camping, Orange, Virginia, for a purchase price of \$37,533.00. A down payment of \$3,800 was made with the order. The balance of the purchase price was paid with a cashier's check funded with a withdrawal from Capital One account #5399. On September 23, 2020, the ending balance in the Capital One account #5399 was \$263.83. On September 24, 2020, there was a \$35,000 deposit from Tenret Tech. Between September 24, 2020, and September 25, 2020, there were no additional deposits made into this account. On September 25, 2020, cashier's check #9105007053 was issued from Capital One account #5399 to payee Road Trip Camping for \$33,733.00. PNC #9355 records reflect a \$35,000 transfer to Kevin Ward on September 23, 2020. This transfer was funded with a deposit from KIPP DC in the amount of \$48,563.93 made to PNC #9355 on September 18, 2020.

2020 Tesla Model Y

46. On or about June 19, 2020, a 2020 Tesla Model Y, VIN 5YJYGDEF9LF009921, was purchased for \$73,746.95. The vehicle had been ordered on or about April 4, 2020. The vehicle was purchased with funds from BBVA/PNC account #9355. On June 3, 2020, BBVA/PNC account #9355 had a balance of \$1,801.33. On June 4, 2020, the account received a deposit from KIPP DC in the amount of \$128,500.00. On June 18, 2020, there was another deposit from KIPP DC in the amount of \$79,500.00. On June 19, 2020, there was a debit card purchase from this account to Tesla Motors for \$73,646.95, which was the final payment on the purchase of the 2020 Tesla, and which was funded with payments received from KIPP DC.

2017 Alfa Romeo Giulia

47. On or about January 22, 2021, Ward purchased a 2017 Alfa Romeo Giulia, VIN ZARFAEAV0H7519119, from My Town Auto, for a total purchase price of \$42,627.30. The purchase was made with a cashier's check for \$42,627.30 drawn on Capital One checking account #5399 on January 25, 2021. The cashier's check was funded with a cashier's check for \$163,616.21 from Chaos Fabrication Shop LLC ("Chaos") deposited to Capital One account #5399 on December 21, 2020. Transfers totaling at least \$495,500 were made to Chaos Fabrication Shop funded with proceeds received from KIPP DC. These transfers included, for example, payments of \$45,000 on July 22, 2020, \$180,000 on November 9, 2020, and \$80,000 on November 18, 2020. Ward provided funds to Chaos to be used to purchase the business property where Chaos is located. However, the seller backed out of the sale, and Chaos returned \$163,616.21 to Ward, which was deposited to Capital One account #5399 on December 21, 2020.

2012 Subaru Impreza Sedan

48. On or about October 7, 2020, Ward purchased a 2012 Subaru Impreza sedan, VIN JF1GV8J67CL002287, from Carstous in Stafford, Virginia. The vehicle was purchased with a cashier's check for \$21,486 funded with a withdrawal from Capital One account #5399. On October 5, 2020, the ending balance in Capital One account #5399 was \$188.12. On October 6, 2020, there was a \$30,000 deposit from Tenret Tech. On October 7, 2020, there was an additional \$15,000 deposit from Tenret Tech. On October 7, 2020, cashier's check #9105007102 was issued from Capital One account #5399 to payee Carstous for \$21,486.00. PNC #9355 records reflect a \$30,000 and a \$15,000 transfer, respectively, to Kevin Ward on October 5, 2020, and October 6, 2020. These transfers were funded with a deposit from KIPP DC in the amount of \$163,312.50 to BBVA/PNC account #9355 on October 5, 2020.

2018 Jeep Wrangler (JL Rubicon)

49. On October 9, 2020, Ward purchased a 2018 Jeep Wrangler (JL Rubicon), VIN 1C4HJXFG5JW121456, from Air Locker Inc. for \$49,500. The vehicle was purchased with funds from BBVA/PNC account #9355. On October 2, 2020, BBVA/PNC account #9355 had an ending balance of \$50.10. On October 5, 2020, the account received a deposit from KIPP DC in the amount of \$163,312.50. On October 9, 2020, there was a transfer from BBVA/PNC account #9355 to Air Locker Inc. for \$49,500, which was payment on the purchase of the 2018 Jeep Wrangler. The funds received from KIPP DC were the only funds in the account available to fund the transfer to Air Locker Inc. for the purchase of the 2018 Jeep Wrangler.

1990 Jeep Wrangler (YJ)

50. On April 26, 2020, Ward purchased a 1990 Jeep Wrangler, VIN 2J4FY19E2LJ550200 for \$4,000. This vehicle does not currently have a registered owner. An employee of Chaos indicated that although Ward purchased this vehicle, a Chaos employee made the cash payment of \$4,000 to the sellers of the vehicle on the date of the sale. Ward reimbursed Chaos for the purchase of the vehicle, as well as for the transport of the vehicle from the sellers' residence to Chaos. Ward's reimbursement to Chaos was made with a \$6,500 funds transfer to Chaos Fab Shop with note "YJ and Shipping", drawn on BBVA k/n/a PNC Bank #9355 on April 27, 2020. PNC Bank #9355 was opened on or about April 13, 2020. PNC account #9355 received deposits from KIPP DC in the amounts of \$37,125 on April 16, 2020, and \$183,875 on April 20, 2020. The funds received from KIPP DC were the only funds in the account available to fund the transfer to Chaos Fab Shop for the purchase of the 1990 Jeep Wrangler.

2015 Ducati Diavel

51. On or about April 29, 2020, Ward purchased a 2015 Ducati Diavel motorcycle, VIN ZDM13BSW4FB020780, for \$5,600.00, plus taxes and fees. The motorcycle was purchased with a cashier's check dated April 29, 2020, in the amount of \$5,600.00, which was funded with a withdrawal from Ward's Capital One account #5399. The funds used to make the withdrawal were derived from an \$8,000.00 transfer from PNC account #9355 on April 29, 2020. PNC account #9355 was opened on April 13, 2020, and received deposits from KIPP DC in the amounts of \$37,125.00 on April 16, 2020, \$183,875.00 on April 20, 2020, \$231,981.54 on April 28, 2020, and \$52,500 on April 29, 2020. The funds from KIPP DC were the only funds on deposit in PNC account #9355 available to fund the \$8,000.00 transfer to Capital One account #5399.

2020 Ford Super Duty F-450

52. On or about March 17, 2021, Ward purchased a 2020 Ford Super Duty F-450 pickup truck, VIN 1FT8W4DT9LEC71644, from Lusso Auto LLC / Jong Rhee, for \$120,000.00. The pickup truck was purchased with two cashier's checks dated March 17, 2021, in the amounts of \$115,000.00 and \$5,000.00 payable to Lusso Auto LLC, which were funded with withdrawals from Ward's Capital One account #1966. The funds used to make the withdrawals were derived from a \$300,000.00 transfer from PNC account #9355 deposited in Capital One account #1966 on March 9, 2021. On February 28, 2021, PNC account #9355 had an ending balance of \$16.29. PNC account #9355 received a deposit from KIPP DC in the amount of \$407,800.00 on March 4, 2021. The funds from KIPP DC were the only funds on deposit in PNC account #9355 available to fund the \$300,000.00 transfer to Capital One account #1966.

Assorted Art and Sports Memorabilia

53. Ward used a portion of the funds he obtained from KIPP DC to acquire certain fine art, limited edition giclee prints from Farano Fine Art LLC, aka Sports Art Illustrated Inc., which specializes in the creation of sports art and sports memorabilia, including the following:

- a. “Michael Jordan, Into the Record Books”, Limited Edition #11 of 50, Artist Recreation on Canvas, Autographed;
- b. Colin Kaepernick, New Breed”, Limited Edition #9 of 30, Artist Recreation on Canvas, Autographed;
- c. “Jerry Rice, The Pinnacle”, Limited Edition #11 of 24, Artist Recreation on Canvas, Autographed;
- d. “Troy Aikman, Precision”, Limited Edition #21 of 22, Artist Recreation on Canvas, Autographed;
- e. “Eli Manning, Championship State of Mind”, Limited Edition #16 of 25, Artist Recreation on Canvas, Autographed; and
- f. “Walter Payton, Class Act”, Limited Edition #3 of 99, Artist Recreation on Canvas.

54. On or about May 5, 2020, Ward purchased a piece of art identified as “Michael Jordan, Into the Record Books”, Limited Edition #11 of 50, Artist Recreation on Canvas, Autographed, for \$10,000.00. The artwork was purchased with a wire transfer from BBVA k/n/a PNC Bank account #9355 in the amount of \$10,000.00. The transfer to Sports Art Illustrated Inc. was funded with a deposit into BBVA k/n/a PNC Bank #9355 from KIPP DC in the amount of \$231,981.54 on April 28, 2020.

55. On or about June 22, 2020, Ward purchased a piece of art identified as “Colin Kaepernick, New Breed”, Limited Edition #9 of 30, Artist Recreation on Canvas, Autographed, for \$2,500.00. The artwork was purchased with a wire transfer in the amount of \$2,500.00 from BBVA k/n/a PNC Bank account #9355. The transfer to Sports Art Illustrated Inc. was funded with a deposit into BBVA k/n/a PNC Bank #9355 from KIPP DC in the amount of \$79,500.00 on June 18, 2020.

56. On or about December 29, 2020, Ward purchased four pieces of art identified as: “Jerry Rice, The Pinnacle”, Limited Edition #11 of 24, Artist Recreation on Canvas, Autographed, for \$3,500.00; “Troy Aikman, Precision”, Limited Edition #21 of 22, Artist Recreation on Canvas, Autographed, for \$2,500.00; “Eli Manning, Championship State of Mind”, Limited Edition #16 of 25, Artist Recreation on Canvas, Autographed, for \$3,000.00; and, “Walter Payton, Class Act”, Limited Edition #3 of 99, Artist Recreation on Canvas, for \$1,000.00. The artworks were purchased with a cashier’s check for \$10,000.00 drawn on Capital One checking account #5399 on January 7, 2021. The cashier’s check was funded with a cashier’s check for \$163,616.21 from Chaos Fabrication Shop LLC deposited to Capital One account #5399 on December 21, 2020. Transfers totaling at least \$495,000.00 were made to Chaos Fabrication Shop LLC funded with proceeds received from KIPP DC. These transfers included, for example, payments of \$45,000.00 on July 22, 2020, \$180,000.00 on November 9, 2020, and \$80,000.000 on November 18, 2020. Ward provided funds to Chaos to be used to purchase the business property where Chaos was located; however, the seller backed out of the sale, and Chaos returned the \$163,616.21 to Ward, which was deposited to Capital One account #5399 on December 21, 2020.

VII. COUNTS

Count One – Forfeiture as Proceeds of Wire Fraud

57. Each of the foregoing allegations is hereby incorporated by reference as if fully set forth herein.

58. Title 18, United States Code, Section 981(a)(1)(C), provides that “[a]ny property, real or personal, which constitutes or is derived from proceeds traceable to . . . any offense constituting ‘specified unlawful activity’ (as defined in section 1956(c)(7) of [Title 18]), or a conspiracy to commit such offense” is subject to forfeiture.

59. Wire fraud, in violation of Title 18, United States Code, Section 1343, is a “specified unlawful activity” as defined in 18 U.S.C. § 1956(c)(7).

60. The Defendant Properties are subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C) as properties which constitute or are derived from proceeds traceable to wire fraud, in violation of Title 18, United States Code, Section 1343.

Count Two – Forfeiture as Proceeds of Theft or Bribery Concerning Programs Receiving Federal Funds

61. Each of the foregoing allegations is hereby incorporated by reference as if fully set forth herein.

62. Title 18, United States Code, Section 981(a)(1)(C) provides that “[a]ny property, real or personal, which constitutes or is derived from proceeds traceable to . . . any offense constituting ‘specified unlawful activity’ (as defined in section 1956(c)(7) of [Title 18]), or a conspiracy to commit such offense” is subject to forfeiture.

63. Theft or bribery concerning programs receiving federal funds, in violation of Title 18, United States Code, Section 666, is a “specified unlawful activity” as defined in 18 U.S.C. § 1956(c)(7).

64. The Defendant Properties are subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C) as properties which constitute or are derived from proceeds of violations of Title 18, United States Code, Section 666.

VIII. CONCLUSION

WHEREFORE, the United States prays that this Court decree that all right, title, and interest in the Defendant Properties be condemned and forfeited to the United States of America, and for such other and further relief as the Court deems just and proper.

Respectfully submitted,

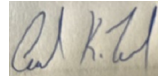
Dated: 8/29/2022

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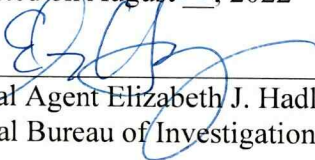
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VERIFICATION

I, Elizabeth J. Hadley, hereby verify and declare under penalty of perjury that I am a Special Agent with the Federal Bureau of Investigation, that I have read the foregoing Verified Complaint and know the contents thereof, and that the matters contained in the Verified Complaint are true to my own knowledge and belief.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 25, 2022



Special Agent Elizabeth J. Hadley
Federal Bureau of Investigation